

Appendix D: Daylight Overdraft Transaction Posting Rules¹

The following schedule shows the rules for posting transactions to Federal Reserve Accounts for the purpose of measuring daylight overdrafts.

Opening Balance

= *previous day's closing balance*

Post Throughout Business Day:

- +/- Fedwire funds transfers
- +/- Fedwire book-entry securities transfers
- +/- Net settlement entries.

Post at 8:30 a.m. Eastern Time:

- +/- Government and commercial ACH credit transactions²
Both sides of the ACH credit transaction - the credit to the receiver and the debit to the originator - are posted simultaneously.
- + Treasury Electronic Federal Tax Payment System (EFTPS) investments from ACH credit transactions
- + Advance-notice Treasury investments
These include direct and special direct Treasury investments for which notification was given a day earlier.
- + Treasury checks, postal money orders, local Federal Reserve Bank checks, and EZ-Clear savings bond redemptions in separately sorted deposits
These items must be deposited by 12:01 a.m. or later local time.
- Penalty assessments for tax payments from the Treasury Investment Program (TIP).³

Post at 8:30 a.m. Eastern Time and Hourly, on the Half-Hour, Thereafter:

- +/- Main Account Administrative Investment or Withdrawal from TIP
- +/- SDI (Special Direct Investment) Administrative Investment or Withdrawal from TIP
- + 31 CFR Part 202 Account Deposits from TIP
- Uninvested PATAX Tax Deposits from TIP

¹ This schedule of posting rules does not affect the overdraft restrictions and overdraft-measurement provisions for nonbank banks established by the Competitive Equality Banking Act of 1987 and the Board's Regulation Y (12 CFR 225.52).

² Depository institutions that are monitored in real time must fund the total amount of their commercial ACH credit originations when the transactions are processed. If the Federal Reserve receives commercial ACH credit transactions from depository institutions monitored in real time after the scheduled close of the Fedwire funds transfer system, these transactions will be processed when the Federal Reserve's Account Balance Monitoring System (ABMS) reopens, or by the ACH deposit deadline, whichever is earlier. The ABMS provides intraday account information to the Reserve Banks and depository institutions and is used primarily to give authorized Reserve Bank personnel a mechanism to control and monitor account activity for selected institutions. For more information on ACH transaction processing, refer to the ACH Settlement Day Finality Guide available through the Federal Reserve Financial Services website at <http://www.frb services.org>.

³ The Reserve Banks will identify and notify depository institutions with Treasury-authorized penalties on Thursdays. In the event that Thursday is a holiday, the Reserve Banks will identify and notify depository institutions with Treasury-authorized penalties on the following business day. Penalties will then be posted on the business day following notification.

- Main Account Balance Limit Withdrawals from TIP
- Collateral Deficiency Withdrawals from TIP
- 31 CFR Part 202 Deficiency Withdrawals from TIP.

Post at 8:30 a.m., 1:00 p.m., and 6:30 p.m. Eastern Time:

- Main Account Treasury Withdrawals from TIP.⁴

Post by 9:15 a.m. Eastern Time:

- + U.S. Treasury and government agency book-entry interest and redemption payments
- + U.S. Treasury and government agency matured coupons and definitive securities received before the maturity date.

Post Beginning at 9:15 a.m. Eastern Time:

- Original issues of Treasury securities.
Original issues of government agency securities are delivered as book-entry securities transfers and will be posted when the securities are delivered to the purchasing institutions.

Post at 9:30 a.m. Eastern Time and Hourly, on the Half-Hour, Thereafter:

- + FR-ETA Value Fedwire Investments from TIP.

Post at 11:00 a.m. Eastern Time:

- +/- ACH debit transactions
Both sides of the ACH debit transaction — the debit to the receiver and the credit to the originator — are posted simultaneously.
- + EFTPS investments from ACH debit transactions.

Post at 11:00 a.m. Eastern Time and Hourly Thereafter:

- +/- Commercial check transactions, including returned checks⁵
- Check debits
Check debits are posted on the hour at least one hour after presentment. Checks presented before 10:01 a.m. ET will be posted at 11:00 a.m. ET. Presentment times will be based on surveys of endpoints' scheduled courier deliveries and so will occur at the same time each day for a particular institution.
- + Check credits
Institutions must choose one of two check-credit posting options, (1) all credits posted at a single, float-weighted posting time, or (2) fractional credits posted throughout the day. The first option allows an institution to receive all of its check credits at a single time for each type of cash letter. This time may not necessarily fall on a clock hour. The second option lets the institution receive a portion of its available check credits on the clock hours between 11 a.m. and 6 p.m. ET. The option selected applies to all of an institution's check deposits, including those for its respondents. Reserve Banks will calculate crediting

⁴ On rare occasions, the Treasury may announce withdrawals in advance that are based on depository institutions' closing balances on the withdrawal date. The Federal Reserve will post these withdrawals after the close of Fedwire.

⁵ Electronic check presentments will post at 11:00 a.m. ET and hourly thereafter until April 1, 2002.

fractions and float-weighted posting times for each time zone based on surveys. Credits for mixed cash letters and other Fed cash letters are posted using the crediting fractions or the float-weighted posting times for the time zone of the Reserve Bank servicing the depositing institution. For separately sorted deposits, credits are posted using the posting times for the time zone of the Reserve Bank servicing the payor institution.

- +/- Check corrections amounting to \$1 million or more
- + Currency and coin deposits
- + Credit adjustments amounting to \$1 million or more.

Post at 12:30 p.m. Eastern Time and Hourly, on the Half-Hour, Thereafter:

- + Dynamic Investments from TIP.

Post by 1:00 p.m. Eastern Time:

- + Same-day Treasury investments.

These transactions represent direct and special direct Treasury investments for which notification is given on the same day.

Post at 1:00 p.m. Local Time and Hourly Thereafter:

- Electronic check presentments.⁶

Post at 5:00 p.m. Eastern Time:

- + Treasury checks, postal money orders, and EZ-Clear savings bond redemptions in separately sorted deposits.

These items must be presented by 4:00 p.m. Eastern Time.

- + Local Federal Reserve Bank checks.

These items must be presented before 3:00 p.m. Eastern Time.

- +/- Same-day ACH transactions. These transactions include ACH return items, check-truncation items, and flexible settlement items.

Post at 6:30 p.m. Eastern Time:⁷

- + Penalty Abatements from TIP.

Post After the Close of Fedwire Funds Transfer System:

- +/- All other transactions.

These transactions include the following: local Federal Reserve Bank checks presented after 3:00 p.m. eastern time but before 3:00 p.m. local time; noncash collection; credits for U.S. Treasury and government agency definitive security interest and redemption payments if the coupons or securities are received on or after the maturity date; currency and coin shipments; small-dollar credit adjustments; and all debit

⁶ The Federal Reserve Banks will post debits to depository institutions' accounts for electronic check presentments made on or before 12:00 p.m. local time at 1:00 p.m. local time. The Reserve Banks will post presentments made after 12:00 p.m. local time on the next clock hour that is at least one hour after presentment takes place but no later than 3:00 p.m. local time.

⁷ The Federal Reserve Banks will process and post Treasury-authorized penalty abatements on Thursdays. In the event that Thursday is a holiday, the Federal Reserve Banks will process and post Treasury-authorized penalty abatements on the following business day.

adjustments. Discount-window loans and repayments are normally posted after the close of Fedwire as well; however, in unusual circumstances a discount window loan may be posted earlier in the day with repayment 24 hours later, or a loan may be repaid before it would otherwise become due.

= **Closing Balance.**